

**SEVENTH AMENDMENT TO  
COMMITMENT TO PURCHASE FINANCIAL INSTRUMENT  
and  
HFA PARTICIPATION AGREEMENT**

This Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Seventh Amendment”) is entered into as of the date set forth on Schedule A attached hereto as the Seventh Amendment Date (the “Amendment Date”), by and among the United States Department of the Treasury (“Treasury”), the undersigned party designated as HFA whose description is set forth in Schedule A attached hereto (for convenience, a “state housing finance agency” or “HFA”) and the undersigned institution designated by HFA to participate in the program described below (“Eligible Entity”).

**Recitals**

WHEREAS, Treasury, HFA and Eligible Entity entered into that certain Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Original HPA”) dated as of the Closing Date, as previously amended by that certain First Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “First Amendment”), and as further amended by that certain Second Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Second Amendment”), and as further amended by that certain Third Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Third Amendment”), as further amended by that certain Fourth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fourth Amendment”), as further amended by that certain Fifth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Fifth Amendment”), and as further amended by that certain Sixth Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement (the “Sixth Amendment”; and together with the Original HPA as amended thereby and by the First Amendment, Second Amendment, Third Amendment, Fourth Amendment and Fifth Amendment, the “Current HPA”), dated as of their respective dates as set forth on Schedule A attached hereto, in connection with Treasury’s federal housing program entitled the Housing Finance Agency Innovation Fund for the Hardest Hit Housing Markets (the “HHF Program”), which was established pursuant to the Emergency Economic Stabilization Act of 2008 (P.L. 110-343), as amended, as the same may be amended from time to time (“EESA”);

WHEREAS, HFA and Eligible Entity submitted a request to Treasury to make certain revisions to their Service Schedules and Permitted Expenses, as applicable, and Treasury has agreed to the same;

WHEREAS, HFA, Eligible Entity and Treasury wish to enter into this Seventh Amendment to document all approved modifications to the Service Schedules and Permitted Expenses, as applicable;

Accordingly, in consideration of the representations, warranties, and mutual agreements set forth herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, Treasury, HFA and Eligible Entity agree as follows.

## **Agreement**

### **1. Amendments**

A. Definitions. All references in the Current HPA to the “Agreement” shall mean the Current HPA, as further amended by this Seventh Amendment; and all references in the Current HPA to Schedules A, B or C shall mean the Schedules A, B or C attached to this Seventh Amendment. All references herein to the “HPA” shall mean the Current HPA, as further amended by this Seventh Amendment.

B. Schedule A. Schedule A attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule A attached to this Seventh Amendment.

C. Schedule B. Schedule B attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule B attached to this Seventh Amendment.

D. Schedule C. Schedule C attached to the Current HPA is hereby deleted in its entirety and replaced with Schedule C attached to this Seventh Amendment.

### **2. Representations, Warranties and Covenants**

A. HFA and Eligible Entity. HFA and Eligible Entity, each for itself, make the following representations, warranties and covenants to Treasury and the truth and accuracy of such representations and warranties and compliance with and performance of such covenants are continuing obligations of HFA and Eligible Entity, each as to itself. In the event that any of the representations or warranties made herein cease to be true and correct or HFA or Eligible Entity breaches any of its covenants made herein, HFA or Eligible Entity, as the case may be, agrees to notify Treasury immediately and the same shall constitute an Event of Default under the HPA.

(1) HFA and Eligible Entity each hereby certifies, represents and warrants as of the date hereof that each of the representations and warranties of HFA or Eligible Entity, as applicable, contained in the HPA are true, correct, accurate and complete in all material respects as of the date hereof. All covenants of HFA or Eligible Entity, as applicable, contained in the HPA shall remain in full force and effect and neither HFA, nor Eligible Entity is in breach of any such covenant.

(2) Eligible Entity has the full corporate power and authority to enter into, execute, and deliver this Seventh Amendment and any other closing documentation delivered to Treasury in connection with this Seventh Amendment, and to perform its obligations hereunder and thereunder.

(3) HFA has the full legal power and authority to enter into, execute, and deliver this Seventh Amendment and any other closing documentation delivered to Treasury in

connection with this Seventh Amendment, and to perform its obligations hereunder and thereunder.

**3. Miscellaneous**

A. The recitals set forth at the beginning of this Seventh Amendment are true and accurate and are incorporated herein by this reference.

B. Capitalized terms used but not defined herein shall have the meanings ascribed to them in the HPA.

C. Any provision of the HPA that is determined to be prohibited or unenforceable in any jurisdiction shall, as to such jurisdiction, be ineffective to the extent of such prohibition or unenforceability without invalidating the remaining provisions of the HPA, and no such prohibition or unenforceability in any jurisdiction shall invalidate such provision in any other jurisdiction.

D. This Seventh Amendment may be executed in two or more counterparts (and by different parties on separate counterparts), each of which shall be deemed an original, but all of which together shall constitute one and the same instrument. Facsimile or electronic copies of this Seventh Amendment shall be treated as originals for all purposes.

[SIGNATURE PAGE FOLLOWS; REMAINDER OF PAGE  
INTENTIONALLY LEFT BLANK]

**In Witness Whereof**, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

**HFA:**

DISTRICT OF COLUMBIA HOUSING  
FINANCE AGENCY

By: /s/ Harry D. Sewell  
Name: Harry D. Sewell  
Title: Executive Director and Chief  
Executive Officer

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

By: \_\_\_\_\_  
Name: Timothy G. Massad  
Title: Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

DISTRICT OF COLUMBIA HOUSING  
FINANCE AGENCY

By: /s/ Harry D. Sewell  
Name: Harry D. Sewell  
Title: Executive Director and Chief  
Executive Officer

In Witness Whereof, HFA, Eligible Entity and Treasury by their duly authorized officials hereby execute and deliver this Seventh Amendment to Commitment to Purchase Financial Instrument and HFA Participation Agreement as of the Amendment Date.

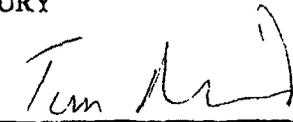
**HFA:**

DISTRICT OF COLUMBIA HOUSING  
FINANCE AGENCY

By: \_\_\_\_\_  
Name:  
Title:

**TREASURY:**

UNITED STATES DEPARTMENT OF THE  
TREASURY

By:   
Name: Timothy G. Massad  
Title: Assistant Secretary for  
Financial Stability

**ELIGIBLE ENTITY:**

DISTRICT OF COLUMBIA HOUSING  
FINANCE AGENCY

By: \_\_\_\_\_  
Name:  
Title:

## **EXHIBITS AND SCHEDULES**

Schedule A	Basic Information
Schedule B	Service Schedules
Schedule C	Permitted Expenses

**SCHEDULE A**

**BASIC INFORMATION**

**Eligible Entity Information:**

Name of the Eligible Entity: District of Columbia Housing Finance Agency<sup>1</sup>

Corporate or other organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Jurisdiction of organization: District of Columbia

Notice Information:

**HFA Information:**

Name of HFA: District of Columbia Housing Finance Agency

Organizational form: body corporate and instrumentality of the District of Columbia, organized and existing under and pursuant to the District of Columbia Housing Finance Agency Act, D.C. Law 2-135, as amended (D.C. Code, § 42-2701.01 et. Seq.)

Date of Application: September 1, 2010

Date of Action Plan: September 1, 2010

Notice Information: Same as Notice Information for Eligible Entity

**Program Participation Cap:** \$20,697,198.00

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<sup>1</sup> References in the Agreement to the term "HFA" shall mean the District of Columbia Housing Finance Agency ("DCHFA") in its capacity as an HFA as such term is used in the Agreement; references in the Agreement to the term "Eligible Entity" shall mean DCHFA, in its capacity as Eligible Entity as such term is used in the Agreement.

<u>Portion of Program Participation Cap Representing Original HHF Funds:</u>	N/A
<u>Portion of Program Participation Cap Representing Unemployment HHF Funds:</u>	\$ 7,726,678.00
<u>Permitted Expenses:</u>	\$ 4,101,095.00
<u>Closing Date:</u>	September 23, 2010
<u>First Amendment Date:</u>	September 29, 2010
<u>Second Amendment Date:</u>	December 16, 2010
<u>Third Amendment Date:</u>	March 31, 2011
<u>Fourth Amendment Date:</u>	May 25, 2011
<u>Fifth Amendment Date:</u>	October 28, 2011
<u>Sixth Amendment Date:</u>	March 29, 2012
<u>Seventh Amendment Date:</u>	December 14, 2012
<u>Eligible Entity Depository Account Information:</u>	See account information set forth in the Depository Account Control Agreement between Treasury and Eligible Entity regarding the HHF Program.

**SCHEDULE B**

**SERVICE SCHEDULES**

The Service Schedules attached as Schedule B to the Current HPA are hereby deleted in their entirety and replaced with the attached Service Schedules (numbered sequentially as Service Schedule B-1, Service Schedule B-2, et. seq.), which collectively comprise Schedule B to the HPA.

**SERVICE SCHEDULE B-1**

**District of Columbia Housing Finance Agency  
HOMESAVER PROGRAM  
Summary Guidelines**

<p><b>1. Program Overview</b></p>	<p>The HomeSaver Program will offer lump sum or ongoing monthly mortgage payments to unemployed and underemployed District of Columbia homeowners. Approved applicants may receive up to fifteen (15) months of ongoing monthly assistance from the HomeSaver Program. Assistance shall not exceed \$32,385 per household.</p> <p>The HomeSaver Program is made up of three components:</p> <ul style="list-style-type: none"><li>• The <b>LifeLine</b> component will offer a one-time payment of up to six (6) months of mortgage delinquency, including 100% of principal, interest, taxes, insurance (PITI), late fees, condo fees, etc. in order to bring the mortgage current. The LifeLine one-time payment amount is deducted from the total program cap of \$32,385. Borrowers must be <i>unemployed</i> and have received Unemployment Insurance (UI) benefits within six (6) months of application or be <i>underemployed</i> i) at a gross income of 75% or less of their pre-hardship income derived from employment, ii) at a gross income that is less than or equal to 120% of Area Median Income, and iii) at a gross monthly income such that the monthly mortgage payment (PITI) is greater than 38% of their gross monthly income in order to be eligible for LifeLine.</li><li>• The <b>Mortgage Assistance</b> component will provide up to fifteen (15) months of payments equal to 100% of the monthly mortgage payment (PITI). Mortgage Assistance may include principal, interest, taxes, insurance (PITI), late fees, escrowed condo fees, etc. in order to keep the mortgage current. The Mortgage Assistance payment amounts are deducted from the total program cap of \$32,385. Borrowers must be <i>unemployed</i> and have received UI benefits within six (6) months of application or be <i>underemployed</i> i) at a gross income of 75% or less of their pre-hardship income derived from employment, ii) at a gross income that is less than or equal to 120% of Area Median Income, and iii) at a gross monthly income such that the monthly mortgage payment (PITI) is greater than 38% of their gross monthly income in order to be eligible for Mortgage Assistance.</li></ul>
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	<p>Mortgage Assistance will terminate upon the earlier of: (i) the end of the fifteen (15) month period or once the program cap of \$32,385 is reached; (ii) the termination of UI payments due to re-employment (excluding re-employment that qualifies as underemployment, as described above), plus two (2) months; and (iii) upon the borrower's failure to comply with the requirements of DOES for continuation of UI payments.</p> <ul style="list-style-type: none"> <li>• The <b>Restore</b> component will be available for program participants who need a one-time payment to “catch up” (up to fifteen (15) months of assistance, subject to the total program cap of \$32,385), but who have sufficient resources to continue making timely, sustainable mortgage payments. The Restore component is for recently re-employed participants who have received unemployment benefits within six (6) months of application. Borrowers must have a gross income such that the monthly mortgage payment (PITI) is less than or equal to 38% of gross monthly income. Restore may include principal, interest, taxes, insurance (PITI), late fees, condo fees, etc. in order to bring the mortgage current. Borrower income shall be less than or equal to 120% of Area Median Income.</li> </ul> <p>Applicants will be referred to the HomeSaver Program after completion of an intake package to include: (1) proof of identity; (2) current statement of mortgage note; and (3) proof of receipt of UI payment(s) or satisfactory documentation of involuntary reduction in borrower gross income such that it is 75% or less of the borrower's pre-hardship income derived from employment. Intake packages will be reviewed by a U.S. Department of Housing and Urban Development (HUD) approved housing counseling agency and then forwarded to the HomeSaver Program for approval.</p>
<p><b>2. Program Goals</b></p>	<p><b>Foreclosure prevention</b> – The primary goal of the HomeSaver Program is to prevent foreclosures that will erode the base of homeowners in the District of Columbia (the “District”), which already lags behind the national average in the rate of homeownership. Additionally, each applicant will work with a HUD approved housing counseling agency.</p> <p><b>Synergistic interaction</b> - The DCHFPA will partner with other organizations (i.e. DOES and the Urban Institute) to define the universe of potential candidates for the HomeSaver Program, perform outreach and intake and ultimately deliver timely</p>

	<p>assistance to prevent foreclosure. DOES is the District agency that administers the District’s UI and job training programs. The Urban Institute (the “Institute”) has conducted extensive research into housing issues in the District, including mortgage delinquencies and foreclosures. The Institute gathers data, conducts research, evaluates programs, offers technical assistance overseas, and educates Americans on social and economic issues — to foster sound public policy and effective government.</p> <p><b>Simplicity</b> – The DCHFA will employ a HomeSaver Program design that seeks to minimize administrative costs, thereby maximizing the amount of dollars available for assistance.</p>
<p><b>3. Target Population / Areas</b></p>	<p>The HomeSaver Program will be District-wide.</p>
<p><b>4. Program Allocation (Excluding Administrative Expenses)</b></p>	<p>\$16,596,103.00</p>
<p><b>5. Borrower Eligibility Criteria</b></p>	<p>Candidates for HomeSaver Program assistance will be those in the DOES database who have received UI payments within six (6) months from the date of application and District homeowners who have had an involuntary reduction in borrower gross income such that it is 75% or less of the borrower’s pre-hardship income derived from employment. Eligible program participants will be:</p> <ul style="list-style-type: none"> <li>• District homeowners;</li> <li>• homeowners residing in their primary residences;</li> <li>• homeowners as evidenced by the deed of trust;</li> <li>• unemployed borrowers who have received UI benefits within six (6) months of application (LifeLine and Mortgage Assistance) or;</li> <li>• underemployed borrowers who have had an involuntary reduction in borrower gross income such that it is 75% or less of the borrower’s pre-hardship income derived from employment, which reduction occurred after the origination of the current mortgage, have a current income less than or equal to 120% of Area Median Income, and have a monthly mortgage payment (PITI) that is greater than 38% of gross monthly income (LifeLine and Mortgage Assistance) or;</li> <li>• re-employed borrowers who have received UI benefits within six (6) months of application, have a current income</li> </ul>

	<p>at or under 120% of Area Median Income, and have a monthly mortgage payment (PITI) that is less than or equal to 38% of gross monthly income (Restore).</p> <p>All program participants will be required to sign a Hardship Affidavit attesting to their inability to make mortgage payments due to unemployment or substantial underemployment that occurred through no fault of their own.</p>
<b>6. Property / Loan Eligibility Criteria</b>	Single-family home or condominium.
<b>7. Program Exclusions</b>	<ul style="list-style-type: none"> <li>• Homeowners with an outstanding mortgage balance greater than \$729,750;</li> <li>• Unemployed or re-employed homeowners who have not received unemployment benefits within six (6) months of application (LifeLine, Mortgage Assistance, and Restore) or homeowners who have not had an involuntary reduction in income involuntary reduction in borrower gross income such that it is 75% or less of the borrower's pre-hardship income derived from employment;</li> <li>• Borrowers whose income is over 120% of Area Median Income;</li> <li>• Homeowners who have received a foreclosure notice;</li> <li>• Homeowners who are in active bankruptcy;</li> <li>• Residential cooperative units;</li> <li>• Applicants unable to substantiate past and present income or who fail to provide required program documentation as requested.</li> </ul>
<b>8. Structure of Assistance</b>	<p>All loans will be recorded as non-recourse junior liens against the property and will be non-amortizing. Loans will be forgiven at a rate of 20% per year such that in year six (6) the loan will be forgiven and the lien released.</p> <p>The loan will only be repayable if the program participant sells or refinances the property prior to expiration of the lien period, and then only to the extent there is sufficient equity to pay that portion of the loan that has not been forgiven. Notwithstanding the foregoing, if a program participant refinances prior to full forgiveness, and the participant is not receiving any cash from the refinance, the HomeSaver loan will subordinate to the new loan and will continue to be forgiven.</p> <p>Loan funds repaid by program participants will be returned to the program or recaptured until December 31, 2017. After</p>

	December 31, 2017, any remaining returned or recaptured funds will be returned to Treasury.
<b>9. Per Household Assistance</b>	Maximum program assistance is \$32,385 per household.
<b>10. Duration of Assistance</b>	<p>The maximum duration of assistance will be fifteen (15) months. The duration of assistance with respect to each program will be as follows, in each case subject to the program cap of \$32,385.</p> <ul style="list-style-type: none"> <li>• <b>LifeLine</b> – One-time payment equal to up to six (6) months of monthly payments.</li> <li>• <b>Mortgage Assistance</b> - Payments of PITI for up to fifteen (15) months.</li> <li>• <b>Restore</b> – One-time payment not to exceed fifteen (15) months of assistance.</li> </ul> <p>If eligible, homeowners may participate in one or more components. If, for example a program participant receives LifeLine assistance to bring his/her mortgage current after a six (6) month delinquency payment, the participant may still be eligible for up to nine (9) months of Mortgage Assistance payments, as long as the total amount of assistance does not exceed \$32,385 and the total duration does not exceed fifteen (15) months.</p> <p>Additionally, participants who enroll as unemployed borrowers and regain employment while assistance is still being disbursed by HomeSaver, but at a wage that is 75% or less of their pre-hardship employment wage, can continue to receive assistance as underemployed borrowers, assuming all eligibility criteria are met, including gross income at or under 120% of Area Median Income and such that the monthly mortgage payment (PITI) is greater than 38% of gross monthly income (LifeLine and Mortgage Assistance).</p>
<b>11. Estimated Number of Participating Households</b>	520-900
<b>12. Program Inception / Duration</b>	The HomeSaver Program began January 18, 2011 and is expected to continue for approximately three (3) years from such date or until all funds are exhausted, but not later than December 31, 2017.

<b>13. Program Interactions with Other HFA Programs</b>	Homeowners may access other District programs. The DCHFA will explore partnerships with other District agencies that have programs assisting District residents with foreclosure issues including the Department of Housing and Community Development (DHCD) and the Department of Insurance Securities and Banking (DISB). DISB provides foreclosure mitigation assistance and DHCD funds foreclosure prevention counseling and other Federal programs including the Neighborhood Stabilization Program (NSP).
<b>14. Program Interactions with HAMP</b>	Eligible homeowners may also access Federal programs including HAMP and HAMP UP. Homeowners may utilize HAMP UP before or after the HomeSaver Program.
<b>15. Program Leverage with Other Financial Resources</b>	The DCHFA will provide \$458,248 of in-kind administrative expenses to the HomeSaver Program. The HomeSaver Program requires no financial contribution from servicers or lenders, however loan modifications or contributions/fee waivers are allowed but not required.
<b>16. Qualify as an Unemployment Program</b>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

## SCHEDULE C

### PERMITTED EXPENSES

<b>Washington D.C.</b>	
<b><i>One-time / Start-Up Expenses:</i></b>	
Initial Personnel	\$76,829.00
Building, Equipment, Technology	\$166,968.00
Professional Services	\$12,000.00
Supplies / Miscellaneous	\$0.00
Marketing /Communications	\$7,500.00
Travel	\$5,000.00
Website development /Translation	\$12,100.00
Contingency	\$0.00
<b>Subtotal</b>	<b>\$280,397.00</b>
<b><i>Operating / Administrative Expenses:</i></b>	
Salaries	\$1,286,100.00
Professional Services (Legal, Compliance, Audit, Monitoring)	\$219,743.00
Travel	\$0.00
Buildings, Leases & Equipment	\$131,612.00
Information Technology & Communications	\$318,000.00
Office Supplies/Postage and Delivery/Subscriptions	\$9,800.00
Risk Management/ Insurance	\$0.00
Training	\$0.00
Marketing/PR	\$20,000.00
Miscellaneous	\$45,000.00
<b>Subtotal</b>	<b>\$2,030,255.00</b>
<b><i>Transaction Related Expenses:</i></b>	
Recording Fees	\$876,443.00
Wire Transfer Fees	\$100,000.00
<b><i>Counseling Expenses</i></b>	
File Intake	\$0.00
Decision Costs	\$0.00
Successful File	\$724,000.00
Key Business Partners On-Going	\$90,000.00
<b>Subtotal</b>	<b>\$1,790,443.00</b>

<b>Grand Total</b>	<b>\$4,101,095.00</b>
<b>% of Total Award</b>	<b>19.81%</b>
<b>Award Amount</b>	<b>\$20,697,198.00</b>